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## **2011 VERY STRONG FOR VERMONT CAPTIVE INSURANCE LICENSES 6<sup>th</sup> Year of 40-Plus New Captive Insurance Licenses**

MONTPELIER, VT -- 2011 was the 6<sup>th</sup> year Vermont surpassed the 40 new captives licensed mark with 41 new captive insurance companies bringing the total number of licenses to 952, according to data released by the Vermont Banking, Insurance, Securities and Health Care Administration (BISHCA).

Thirty were single parent captives, with six risk retention groups (RRG), three sponsored, one industrial insured, and one association. 2011's new captive insurance licensees brings Vermont overall total to 952 with 590 active captive insurance companies.

“One of the most exciting aspects of 2011 and a perennial key to our success is the high quality of companies that we are privileged to work with,” said David Provost, Vermont’s Deputy Commissioner of Captive Insurance. “We’re also seeing the State’s continued investment in staff helping us continue to provide outstanding customer service. That’s very much a part of what keeps Vermont the Gold Standard.”

Despite the soft market each quarter of 2011 had steady growth. “This strong year is testimony to our continued commitment to maintain Vermont’s reputation as the Gold Standard of domiciles,” said Governor Peter Shumlin. “While other states continue to falter, Vermont’s stability and support has never wavered. We will continue to address the needs of the industry going forward and will not rest on our laurels.”

The top industries licensing captives in the past year in Vermont were insurance, hospitals and medical groups and manufacturing. Vermont was also busy with activity in risk retention groups which continue to be a growth sector.

*The Department of Economic, Housing and Community Development operates within the Agency of Commerce and Community Development, whose mission is to preserve our heritage, promote vibrant communities, and create a sustainable economy that provides all Vermonters with the opportunity for meaningful employment.*

“Vermont is the leader in RRG’s and that trend has been a constant. Another area of growth has been in redomestications of existing captives from other states and jurisdictions. We continue to hear that Vermont provides the greatest value for your captive insurance company,” said Daniel Towle, Director of Financial Services.

As 2012 begins, two new captives have been licensed and there are already four applications pending according to Towle. “The overall market may be soft, but it is also very dynamic and we expect good things to come from 2012.”

Captive insurance is a regulated form of self insurance that has been around since the 1960’s, and has been a part of the Vermont insurance industry since 1981, when Vermont passed the Special Insurer Act. Captive insurance companies are formed by companies or groups of companies as a form of alternative insurance to better manage their own risk. Captives are typically used for corporate lines of insurance such as property, general liability, products liability, or professional liability. Growth sectors of the captive insurance industry include securitization, professional medical malpractice coverage for doctors and hospitals, and the continued trend of small and mid-sized companies forming captive insurance companies.

For more information on Vermont’s captive industry, visit [vermontcaptive.com](http://vermontcaptive.com) or call Dan Towle at 802-828-5232 or email [dan.towle@state.vt.us](mailto:dan.towle@state.vt.us).